

DETAILED ACTION

Claim Summary

1. This Office Action is in response to the amendment filed on June 16, 2009. The amendment deleted claims 4, 12 -14, 17-24, and amended claims 1, 3, 5, 6, 8, 9, 11, 16. Thus, Claims 1-3, 5 – 11, 15 & 16 remain currently pending and have been considered below.

Response to Amendment

2. In light of Applicant's submission filed April 20, 2009, the Examiner has maintained the 35 USC § 101 rejection.

Claim Rejections - 35 USC § 101

3. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-8 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Based on Supreme Court precedent, to be patent eligible under 35 U.S.C. 101 a method/process claim must (1) be tied to a particular machine or apparatus or (2) transform a particular article into a different state or thing (see at least *Gottschalk v. Benson*, 409 U.S. 70 (1972); *Diamond v. Diehr*, 450 U.S. 192 (1981); *Parker v. Flook*, 437 U.S. 589 n.9 (1978); and *Cochrane v. Deener*, 94 U.S. 780, 788 (1876)). Furthermore, the Supreme Court held that the use of a specific machine or

transformation of an article must impose meaningful limits on the claim's scope to impart patentability (Benson, 409 U.S. 71-72). The involvement of the machine or transformation must not merely be insignificant extra-solution activity (Flook, 437 U.S. 590). Also see *In re Bilski*, No. 2007-1130, _F.3d_, 2008 WL4757.

The instant claims fail to meet this test. The claims fail to transform a particular article into a different state or thing. The claims are not tied to a machine or apparatus in a meaningful limitations. In order for a process claim to be considered statutory subject matter under 35 USC 101, under the machine prong of M or T, the process should be tied to a machine *within the body* of the claim, and the machine must be performing an *essential function* within the claim.

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 1, 3, 5, 6, 8, 9, 11, and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al (6,119,099) in view of Swartz et al (6, 837, 436) further in view of Walker(7343319) hereinafter referred to as Walker319.

a. receiving a request to purchase a first item from a customer (Col. 2, Lines 19 - 44 and Col. 6, Lines 5 - 13);

b. offering a discount for the purchase of one or more items based on the previously received indication to purchase the first item(Col 2, lines 19-44 and Col. 6, Lines 30 - 54).

Walker discloses a merchant offering one or more items for sale to the customer, but does not explicitly disclose offering the items via an Internet server. However, Swartz discloses a similar system and method for offering a discount for a second item via an Internet server (column 10, lines 23-49; column 12, line 32 - column 13, line 34; and column 33, lines 56-59). . Walker also does not disclose determining a discount for the purchase of any other item included in an associated database based on the received indication to purchase and a magnitude of price of the other item; compiling an order in response to the buy request; and applying the displayed discount to the compiled order. However Walker319 discloses determining a discount for the purchase of any other item included in an associated database based on the received indication to purchase and a magnitude of price of the other item; (Col.2 Lines 42 – 51), (Walker319 furthermore suggests that the limitations were known by those of ordinary skill in the art at the time of the invention as evidenced by the referenced background section (Col. 1 lines 65 – 67 Col. 2 lines 1 - 5) compiling an order in response to the buy request; and applying the displayed discount to the compiled order. (Col. 1 lines 65 – 67 Col. 2 lines 1 - 5) Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for Walker to include "virtual" merchants (i.e. merchants on the Internet) as the selling entities and to also determining a discount based on the purchase of one or more items. One would have been

motivated to base a discount on the purchase price of one or more items, present the items and to complete the transaction over the Internet in order to expand the realm of potential customers, encourage the purchase of additional items and also allow the customers to be made aware of the discount being applied. In view of Walker's disclosure that the point-of-sale terminal may be "many types of POS terminals, besides those requiring cashiers" (column 13, lines 65-67).

Claims 2 and 10: Walker, Swartz and Hull disclose a system and method as in Claims 1 and

9 above, and Walker further discloses calculating a discount for the second item based on the first item (column 2, line 19-44 and column 6, lines 30-54).

Claims 3 and 11: Walker, Swartz, and Hull discloses a system and method as in Claims 1

and 9 above, and Walker further discloses receiving a selection of one of the other items (i.e.

acceptance of the offer by the customer) and supplying the item price (column 2, lines 19-44 and column 6, lines 30-54).

Claims 5 and 13: Walker, Swartz, and Hull disclose a system and method as in Claims 3 and

11 above, and Walker further discloses receiving a request to purchase based upon the

selection.

(i.e. acceptance of the offer by the customer) and compiling the purchase.(column 2, lines 19-44 and column 6, lines 30-54).

Claim 6: Walker, Swartz, and Hull disclose a system and method as in Claims 5 and 13 above, and Walker further discloses applying the discount to the order (column 2, lines 19-44 and column 6, lines 30-54) but does not explicitly disclose applying the discounts to the compiled order. However Hull discloses applying the discounts to the compiled order. (Col. 3, Lines 13 - 20). Therefore it would have been obvious to one having ordinary skill in the art at the time of the invention was made for Walker to include applying the discount to an order that contains multiple items. One would have been motivated to require that the first and second items be present in order to give a customer an incentive to purchase more than one of said items to receive said discount.

Claims 7 and 15: Walker, Swartz, and Hull disclose a system and method as in Claims 6 and 14 above, and Walker further discloses presenting the compiled order to the customer and receiving confirmation from the customer (column 2, lines 19-44 and column 6, lines 30-54).

Claims 8 and 16: Walker, Swartz, and Hull disclose a system and method as in Claims 5 and

14 above, and Walker further discloses submitting the order for fulfillment to complete the purchase (column 2, lines 19-44 and column 6, lines 30-54).

6. Claims 17-24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al (6,119,099) in view of Swartz et al (6,837,436).

Response to Arguments

7. Applicant's arguments filed July 24, 2008, have been fully considered and in view of the new rejections above, are moot.

In regards to applicant's amendment of the independent claim 1 to satisfy the 35 U.S.C § 101 requirements, the examiner respectfully disagrees and maintains the rejection. As stated in the previous office action, the involvement of the machine or transformation must not merely be insignificant extra-solution activity. The receiving and displaying of data, although now recited as being at the Internet server and the remote client is considered to be insignificant extra-solution activity. The determining step, which is the core step of the invention does not recite the use of a machine and thus could be performed by using purely mental steps.

Conclusion

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP

§ 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to DARNELL POUNCIL whose telephone number is (571)270-3509. The examiner can normally be reached on Monday to Thursday 8 to 5 EST.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Robert Weinhardt can be reached on (571)272-6633. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/D. P./
Examiner, Art Unit 3688

/ROBERT WEINHARDT/
Supervisory Patent Examiner, Art
Unit 3688